

Town of Bloomfield



Annual Town Meeting
Fiscal Year 2020-2021 Budget
May 28, 2020

2020-2021 Budget Challenges

- Planning and Preparing for the long term effects of COVID-19
- State Aid Uncertainty
- Growth in Fixed Charges (e.g. MDC, Employee Benefits, Waste Management)
- Increased Funding Request for BOE

2020 - 2021 Budget Mill Rate and Tax For Average Resident

	MILL RATE 2020			MILL RATE 2021			Difference	
	House	Auto	Tax Bill	House	Auto	Tax Bill	\$	%
Value*	125,000	3,450		133,771	3,450			
Tax	4,683	129	4,812	4,683	121	4,804	(8)	-0.16%
% Inc/(Dec)				0%	-6.5%			
Value*	175,000	8,230		187,250	8,230			
Tax	6,555	308	6,863	6,555	288	6,843	(20)	-0.29%
% Inc.				0%	-6.5%			

* Represents assessed value. Market values are \$178,600 and \$250,000 for 2020 and revaluation values assuming 7% increase in value of \$191,102 and \$267,500, respectively

**Area Towns: Comparative Real/Personal
Property Tax Increase/Decrease
and Budget Increase/Decrease 2020-2021
(As of May 26, 2020)**

Town	Budget Increase%	Mill rate Increase %
East Hartford	1.60	2.90
Bloomfield (reval)	3.04	(6.54)
Newington	1.63	0.17
Glastonbury	3.30	2.53
Farmington	0.35	0.00
Avon	3.48	0.00
West Hartford	1.10	(0.14)
Windsor	2.89	2.25
Rocky Hill	6.24	3.38
Simsbury	1.34	(0.65)

Town Council Comparative 2020-2021 Budget Summary

	Town Council <u>FY 19-20</u>	Town Council <u>FY 20-21</u>	\$ Inc/(Dec)	% Inc/Dec
Town Operations	23,128,260	22,670,673	(457,587)	-1.98%
Education	43,427,030	45,164,111	1,737,081	4.00%
MDC Sewer	3,628,936	4,074,338	445,402	12.27%
Debt Service	6,502,325	7,806,892	1,304,567	20.06%
Capital Improv.	459,057	560,327	101,270	22.06%
Fixed Charges	14,702,213	14,362,572	(339,641)	-2.31%
TOTAL:	\$91,847,921	\$94,638,913	\$2,791,092	3.04%
Mill Rate	37.46	35.01	(2.45)	-6.54%

Town Budget

Expenditure Highlights 2020-2021

- General Fund Increase +\$2.79 million or 3.04%
- Town Operations (salaries, contractual services, utilities, materials & supplies) decreased (\$457,587) or -1.98%
- No new positions in the FY 2021 Town Council Recommended budget. Includes a year long travel freeze for all staff and an attrition delay for vacant positions
- Debt Service increased by \$1.3 million due to the funding for the two building construction projects and the first payment for the Public Safety radio communication lease purchase of \$306K
- Board of Education up \$1.74 million or 4.00%
- MDC Sewer Levy - \$445K or 12.27% increase in ad valorem tax for wastewater services
- Employee Benefits (Pensions, Medical, OPEB Contribution) decrease of \$339K due to recognized savings in the Town's required contribution to OPEB of \$329K.
- Town Manager and Town Council Contingency reduced by a total of 46% or \$185K
- CIP:FY 21 - \$2.39 million; 9 projects including \$1.5 million in Town-Wide Road Improvements and \$560K for the replacement of Town Hall Chiller and Floor

Town Expenditure Drivers 2020-2021

- Board of Education: \$1.737 million
- Debt Service: \$1.304 million
- MDC Ad Valorem Sewer: \$445K
- Health/Dental Insurance: \$95K
- Capital Improvements: \$101K
- Refuse Disposal: \$91K (includes contractual increase and MIRA increase)
- Offset by:
 - Town Operations decrease of \$457K
 - OPEB Savings of \$339K

Town Council 2020-2021 Revenue Highlights

2019 Grand List	<ul style="list-style-type: none"> • Up 10.37% (\$223 million) <ul style="list-style-type: none"> - \$203 million or 9.39% from revaluation of existing property - \$20 million from new growth to tax base • reserve for appeals/corrections increased to \$75 million from \$16 million
Non-Tax Revenue: \$12.13 million (PY taxes/ State Aid/ Permits/ Charges)	<p>Up \$1.27K or 11.72%:</p> <ul style="list-style-type: none"> • New bond premium revenue of \$888K • Increase in residual funds transfer in of \$300K to help mitigate school construction debt principal payments
Building Permit Income	Decrease of \$50K from prior year budget
General Fund Balance \$2,500,000	Increase of \$1.1 million
Assigned Fund Balance for Capital Projects	Allocated \$560K to offset CIP request
Property Tax Collection rate	98.0% - decrease of 0.50%

2020-2021 Capital Budget Funding

Source	2020-2021	2019-2020	Change
General Fund	\$560,327	\$459,057	\$101,270
LOCIP	\$125,200	\$125,200	\$0
Municipal Capital Grant	\$1,701,347	\$1,701,347	\$0
Unspent Projects	<u>\$0</u>	<u>\$300,000</u>	<u>(\$300,000)</u>
TOTAL	\$2,386,874	\$2,585,604	(\$198,730)

Year 1: Capital Improvement Budget
9 Projects : \$2,386,874
5 year Total: \$63.8 million

Roadway Improvements	1,507,056
Town Hall Mechanical Room Floor	350,327
Town Hall Chiller Replacement	210,000
Crestview Dr. Sidewalk: Park Ave to High School	100,000
Brentwood Drive Flood Relief Outlet	80,000
Bridge/Culvert Rehabilitation	50,000
Sidewalk Repair/Replacement	50,000
Guiderail Replacement	25,000
Juniper Lane Underdrain	14,491
Total FY 2020-2021 Capital Improvements	\$2,386,874

Capital Improvements, concluded

Total 2020/21 Projects	\$2,386,874
Total 2021/22 Projects	\$8,536,538
Total 2022/23 Projects	\$39,344,271
Total 2023/24 Projects	\$4,908,336
Total 2024/25 Projects	<u>\$8,619,349</u>
Total Projects included in Five-Year Plan	\$63,795,368

Town Council Revisions to Town Manager's Revised Budget

	Town Manager Revised FY 20-21	Town Council Recommended FY 19-20	<u>\$ Inc/(Dec)</u>
Town Operations	\$24,018,857	\$22,670,673	(\$1,348,184)
Education	47,674,701	45,164,111	(\$2,510,590)
MDC Sewer	4,074,338	4,074,338	\$0
Debt Service	7,806,892	7,806,892	\$0
Capital (General Fund)	1,037,327	560,327	(\$477,000)
Fixed Charges	14,454,515	14,362,572	(\$91,943)
TOTAL	\$99,066,630	\$94,638,913	(\$4,427,717)
Mill rate	37.65	35.01	(2.64)

Average Tax Increases Since FY 2014
8 year average taxes = \$5,106
8 year average decrease = (0.13%)



Assessment*	\$ 150,000	\$ 150,000	\$ 136,500	\$ 136,500	\$ 136,500	\$ 136,500	\$ 136,500	\$ 146,055
Mill Rate	34.85	34.84	36.00	36.65	37.56	37.52	37.46	35.01
Taxes	\$ 5,228	\$ 5,226	\$ 4,914	\$ 5,006	\$ 5,127	\$ 5,121	\$ 5,113	\$ 5,113
% change	0.87%	-0.03%	-5.97%	1.81%	2.48%	-0.11%	-0.15%	0%

* Value of \$150,000 home decreased due to 2014 revaluation. Equivalent market values are \$214,300 for 2015 and \$195,000 thereafter. Market Value increased from \$195,000 to \$208,650 due to the 2019 revaluation

Future Issues 2020-21 and Beyond



1. Sustainability in the Midst of Expenditure Pressures

- Retention and recruitment of non-residential taxpayer base
- Provision of continuity in planning and development by using an approach that guides economic growth as it naturally occurs rather than artificially stimulating or blocking development
- Establishment of long-term fiscal stability despite State budget pressures
- Focus on Bloomfield Town Center redevelopment initiatives

2. Debt Management /Infrastructure Needs

- Ensure that bonded debt decisions are viewed positively by taxpayers, rating agencies and investment community
- Finance/maintain an aging infrastructure and continuously evaluate its impact on the Town's debt capacity

3. Operating Budget Issues

- Education needs
- Rising fixed costs such as employee benefits, MDC assessment
- State budgetary instability